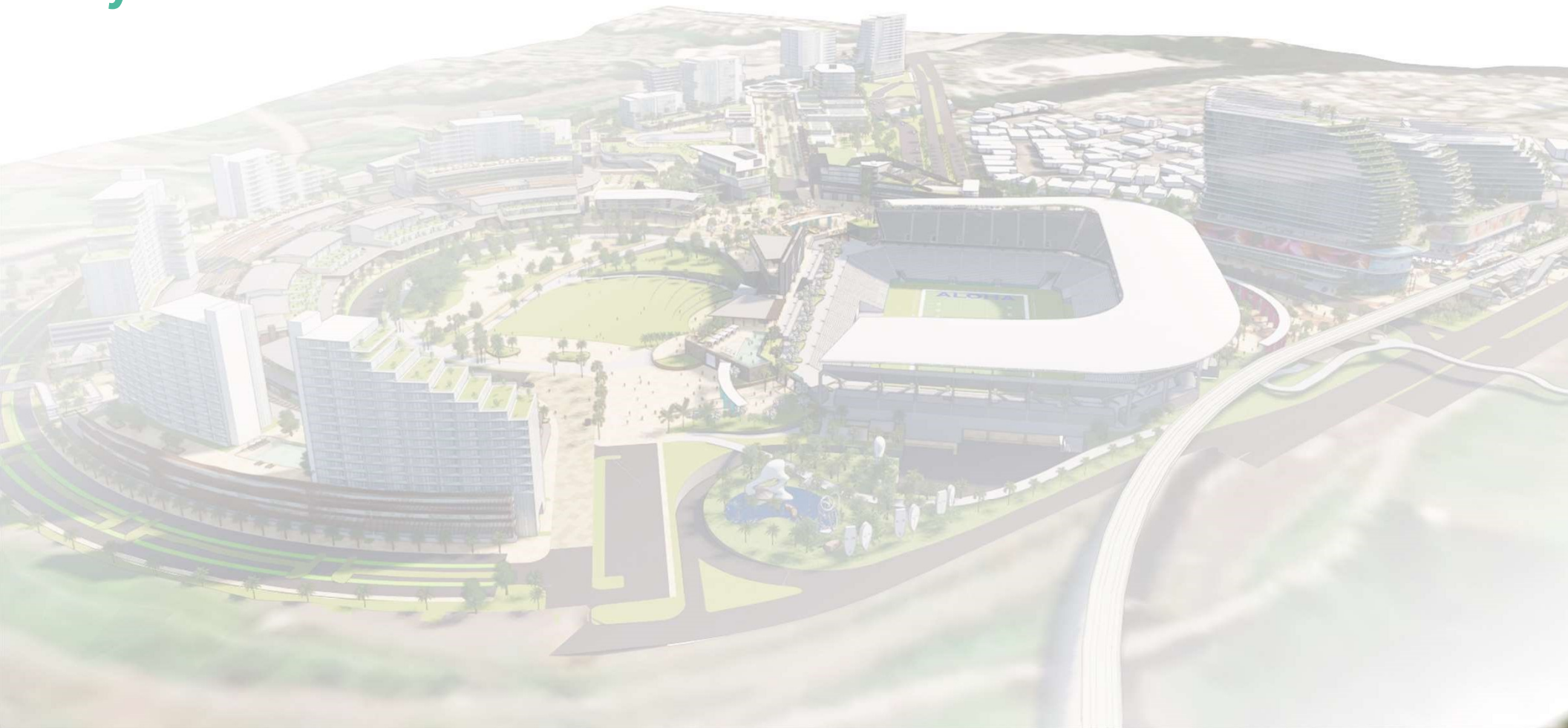


HOUSE BILL 1348
READING GUIDE
May 2021



NASED LEGISLATION



Indicative Design Concept from the Conceptual Master Plan

The New Aloha Stadium Entertainment District (NASED) Program will create a vibrant live-work-play-thrive destination on O‘ahu with a new multi-sport stadium serving as the centerpiece for a mixed-use real estate development on the existing 98-acre Aloha Stadium site located in Hālawā.

To make this vision a reality, we need proper enabling legislation enacted, What does this legislation provide? Continue on as we walk you through the bills affecting NASED beginning with Act 268, Session Laws of Hawaii 2019.

NASED Significant Legislative History

❑ 2019: Act 268

- ✓ Establishes the Stadium Development District Under the Stadium Authority.
- ✓ Authorizes HCDA to facilitate development within the District.
- ✓ Directs DLNR to transfer title of stadium lands to the Stadium Authority.
- ✓ Requires a memorandum of agreement for matters affecting the District.
- ✓ Subjects leases of land within the District to not more than 99 years under HCDA.
- ✓ Authorizes the issuance and appropriation of \$20 million in general revenues, \$150 million in general obligation bonds, and \$180 million in revenue bonds.

❑ 2020: Act 4 – reauthorizes \$20 million in general revenues (“cash”) as general obligation bonds in response to the economic impacts of COVID-19.

❑ 2021: House Bill (HB) 1348, HD 2, SD 2, CD 1 – is the focus and is covered in detail here.

HB 1348 General Overview

❑ **2021: HB 1348, HD 2, SD 2, CD 1**

- ✓ Establishes the stadium development special fund.
- ✓ Provides for the abolishment of the existing stadium special fund.
- ✓ Revises the general development guidance policies for the stadium development district.
- ✓ Clarifies the roles of the stadium authority and the Hawaii community development authority (HCDA) in development of the District.
- ✓ Broadens the powers and duties of the stadium authority, including the authorization to acquire and hold title to real property.
- ✓ Exempts land to which the stadium authority holds title from the definition of “public lands.”

HB 1348 General Overview (continued)

❑ **2021: HB 1348, HD 2, SD 2, CD 1 (continued)**

- ✓ Authorizes the stadium authority, with the Governor's approval, to delegate implementation of CIP projects, including the transfer of funds, to other state agencies.
- ✓ Adds two members to the stadium authority.
- ✓ Amends the general obligation bond funds authorizations made by Act 268, SLH 2019.
- ✓ Makes financial disclosures of members of the stadium authority public records.

HB 1348 In Detail

❑ **Part I: Pages 1 - 16**

Section 1:

- ✓ Increases the number of stadium authority members from 9 to 11.
- ✓ Designates one member as a resident of one of three distinct geographic areas: generally portions of Office of Elections House Districts 30, 31 (west), and all of House District 33 (see attached, map Areas (1)(A), (1)(B), and (1)(C)).
- ✓ Designates one member as a resident of a distinct geographic area, generally a portion of Office of Elections House District 31 (east) (see attached, map Area (2)).
- ✓ Specifies that the terms of the members added by this bill shall commence on July 1, 2021.

HB 1348 In Detail

❑ **Part I: Pages 1 - 16**

Section 2: Authorizes the stadium authority to:

- ✓ Repair, maintain and operate stadium facilities and the stadium development district.
- ✓ Coordinate in planning, design, and construction activities within the stadium development district.
- ✓ Acquire and hold title to real property.
- ✓ Enter into leases not to exceed a term of ninety-nine years.
- ✓ Appoint officers, agents, and employees, without regard to chapters 76 and 89, to manage the stadium, the stadium development district, and its contractors. These are the civil service and collective bargaining chapters for public employment. This allows the stadium authority to competitively hire specialty skilled staff for unique, new positions required to administer and manage the District.

HB 1348 In Detail

❑ **Part I: Pages 1 - 16, continued:**

- ✓ Section 3: Provides technical corrections to existing language.
- ✓ Section 4: Exempts lands to which the stadium authority holds title from the definition of “Public Land,” thereby allowing the stadium authority increased flexibility to competitively identify and procure the most qualified, beneficial development proposal for real estate agreements. It also provides that if the lands are no longer needed for the intended District purpose, they shall be returned to the public land trust.
- ✓ Section 5: Requires legislative approval for sales or gifts of lands to which the authority holds title.

HB 1348 In Detail

❑ **Part II: Pages 16 - 26**

- ✓ Section 6: Establishes the stadium development special funds under the stadium authority. Specifies what types of income may be collected in the special fund and how the funds shall be used.
- ✓ Section 7: Defines the “Authority” or “stadium authority” as the stadium authority established under section 109-1, Hawaii Revised Statutes.
- ✓ Section 8: Provides for the abolishment of the existing stadium special fund, with all appropriations, encumbrances, and remaining unencumbered balances transferred to the stadium development special fund.
- ✓ Section 9: For the handling of lost and found money or property at the stadium, replaces reference to the stadium special fund with the stadium development special fund.
- ✓ Section 10: Assigns the stadium authority sole jurisdiction over the development of the stadium development district.

HB 1348 In Detail

❑ **Part II: Pages 16 - 26 (continued)**

- ✓ Section 11: Provides development guidance for the stadium development district.
- ✓ Section 12: Provides that the HCDA, stadium authority, and the Department of Accounting & General Services (DAGS) shall enter into a memorandum of agreement for the implementation of responsibilities of the respective agencies.

❑ **Part III: Pages 26 - 33**

- ✓ Section 13: Exempts the stadium development special fund from the 5% deduction of all receipts of special funds, which deduction is then transferred to the general fund of the State and become general realizations of the State.
- ✓ Section 14: Exempts the stadium development special fund from payment of its pro rata share of the administrative expenses incurred by the department responsible for the operations supported by the special fund concerned.

HB 1348 In Detail

❑ **Part IV: Pages 33 - 36**

- ✓ Section 15: Makes the financial disclosure statements of the stadium authority public records available for inspection and duplication.

❑ **Part V: Pages 36 - 39**

- ✓ Section 16: Authorizes the stadium authority, with Governor's approval, to delegate implementation of projects, including the transfer of funds to implement the projects, to other state agencies when it is advantageous to do so.
- ✓ Section 17: Deletes all reference to the issuance and authorization of revenue bonds. Note that we couldn't have used these funds to begin with, because they require immediate repayment from realized revenues. We would not be able to meet this requirement until facilities were fully functional.

HB 1348 In Detail

❑ **Part V: Pages 36 – 39 (continued)**

- ✓ Section 18: Revises the appropriation of \$170 million in general obligation bond funds to be made to the stadium authority as the expending agency instead of HCDA. It also extends the funds lapse date an additional two years to June 30, 2024.
- ✓ Section 19: Amends Act 268, SLH 2019, as amended by Act 4, SLH 2020, to similarly reflect revision of the CIP appropriations lapse date to June 30, 2024.

❑ **Part VI: Page 39**

- ✓ Section 20: Authorizes general obligation bond funds appropriated by Act 268, SLH 2019, as amended by Act 4, SLH 2020, that have been allotted and encumbered prior to approval of this bill into law to continue to be expended in accordance with the memorandum of agreement executed between HCDA, stadium authority, and DAGS.

HB 1348 In Detail

❑ **Part VII: Page 40**

- ✓ Section 21: Specifies that within this bill, statutory material to be repealed is bracketed and stricken. New statutory material is underlined.
- ✓ Section 22: Specifies that this Act shall take effect upon approval. This is different from bills that identify a specific date for the Act to take effect – usually July 1st of the legislative year in which the bill is signed. This allows the provisions of this bill to take effect upon the Governors approval.

End of HB 1348!

Mahalo!

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